

UXA Resources Limited

Share Trading Policy

Dealing Rules for Directors and Employees

Summary

The Board encourages directors and employees to own shares in the Company to further link their interests with the interests of all shareholders.

Directors and Employees:

- Must not engage in short term trading of the company's shares. Employees are strongly encouraged not to be sellers of the company's shares nor of any company which is in a joint venture with UXA or any of its subsidiaries;
- Must not trade in the company's shares during a Closed Period;
- Must not trade in the company's shares while that person is in possession of unpublished price-sensitive information (ie. inside information).

"Price-sensitive information" is information which a reasonable person would expect to have a material effect on the price or value of the company's shares.

Under its share trading policy, directors and employees are permitted to buy and sell shares in the company during any period which is not regarded as a 'Prohibited Period'. Directors are not permitted to buy and sell shares in the company without first obtaining prior written or email consent from the Chairman of UXA on each occasion that the director wishes to trade. In the case of the Chairman wishing to trade, consent of at least one other Non-Executive Director shall be obtained. Employees are not permitted to buy and sell shares in the company without first obtaining prior written or email consent from the Managing Director of UXA on each occasion that the employee wishes to trade. The Managing Director will immediately advise the Chairman. That consent will normally be granted provided there is no price sensitive information known to the company that has not been disclosed to the market in accordance with ASX exemptions from mandatory disclosure.

Prohibited Period means:

1. Any 'closed period'; and
2. Additional periods when an entity's directors and employees are prohibited from trading, which are imposed by the entity from time to time when the company is considering matters which are subject to the Listing Rules continuous disclosure requirements.

Closed Period means:

Fixed periods specified in this Trading policy when the company's directors and employees are prohibited from trading in the company's securities.

Employees includes employees of all UXA parent and subsidiary companies and their consultants and contractors whether operating within or outside Australia who may be aware of sensitive information as a result of their dealings with the company.

Introduction

Directors and employees may have in their possession sensitive commercial information which could materially affect the value of company shares and securities. The Corporations Act 2001(Cth) prohibits insider trading in relation to financial products. The provisions are wide ranging and breaches are serious offences.

This document:

- (a) provides an outline of the insider trading and other relevant provisions of the Corporations Act;
- (b) sets out the rules relating to dealings by directors and employees in shares and other securities issued by the company ("company securities");

These Rules are designed to assist in preventing breaches of the insider trading provisions of the Corporations Act. Ultimately it is the responsibility of a director or employee to ensure that none of his or her dealings could constitute insider trading.

Insider Trading Prohibition

The nature of the Prohibition

Section 1043A (of Part 7.10, Division 3) of the Corporations Act makes it an offence for a person in possession of information that is not generally available but which, if generally available, might materially impact the price or value of company securities, to:

- trade in (i.e. apply for, acquire or dispose of, or enter into an agreement to do any of these things); or
- procure another person to trade in, company securities (collectively referred to as deal in company securities).

It is also an offence to tip the information to another person with the knowledge that the person could deal in company securities. Accordingly the effect of this section cannot be avoided by simply getting another person to deal on your behalf.

How You Become Aware of the Information is Irrelevant

It is irrelevant how or in what capacity the person came into possession of the information.

This means that s1043A will apply to any director or employee who acquires inside information in relation to company securities, no matter in which capacity and is prohibited from dealing in company securities.

Information Which Might Affect Price Value

The prohibition refers to unpublished information which, if generally available, might materially impact the price or value of company securities.

What Does Information Include?

Information includes matters of supposition or speculation and matters relating to the intentions or likely intentions of a person.

What Information Might Materially Affect Price or Value?

This means information that a reasonable person would expect to have a material effect on the price or value of company securities. A reasonable person would be taken to expect information to have a material effect on price or value if the information would be likely to influence persons who commonly invest in securities whether or not to do so.

Examples of this type of information which might affect the price or value of company securities include:

- proposed changes in the capital structure, capital returns and buy backs of financial products;
- information relating to financial results;
- a material acquisition, joint venture, divestment or realisation of assets;
- proposed dividends and share issues;
- changes to the Board;
- possible events which could have a material impact on profits (negatively or positively) e.g. loss of a major customer;
- proposed changes in the nature of the business of the company;
- notification of a substantial shareholding; and
- any information required to be announced to the market pursuant to Listing Rule 3.1. (the Continuous Disclosure rule).

- What does Unpublished Mean?
 - Unpublished for this purpose means that the information is not generally available. Information is generally available if it consists of readily observable matter, or it has been disseminated in a manner likely to bring it to the attention of investors and a reasonable period has elapsed.

Closed Periods

Directors and senior executives may not trade in the Company's securities during the financial closed periods which are:

- The period between 30 June and 12pm on the day after the release of the Company's Appendix 4E preliminary final report; and
- The period between 31 December and 12pm on the day after the release of the Company's half year report.

Other Relevant Corporations Act Provisions

Officers and employees are subject to the duties set out in sections 182, 183 and 184 of the Corporations Act. Officers are subject to additional duties outlined in sections 180 and 181 of the Corporations Act.

No Improper Use of Inside Information (s183 and s184)

An officer or employee, or former officer or employee must not make improper use of information acquired by virtue of his or her position as such an officer or employee to gain, directly or indirectly, an advantage for himself or herself or for any other person, or to cause detriment to the company.

No Gain by Improper Use of Position (s182 and s184)

An officer or employee must not make improper use of his or her position as such an officer or employee, to gain, directly or indirectly, an advantage for himself or herself or for any other person, or to cause detriment to the company.

Care and Diligence (s180)

An officer must exercise their powers and discharge their duties with the degree of care and diligence a reasonable person would exercise in the same circumstances.

Good Faith (s181 and s184)

An officer must exercise their powers and discharge their duties in good faith in the best interests of the company. An officer commits an offence if they are reckless or are intentionally dishonest and fail to exercise their powers and discharge their duties in good faith in the best interests of the company and for a proper purpose.

Prohibition in Dealing While in Possession of Relevant Information

Dealing in shares is subject to the prohibition that a director or employee must not deal in shares:

- at any time when he or she is in possession of unpublished, information which, if generally available, might materially affect the price or value of those shares; and
- on the day the public announcement is made in relation to that matter.

Prohibition on Active Dealing

Dealing during a Trading Period is subject to the prohibition that a director or employee must not actively deal in shares with a view to deriving profit related income from that activity. "Actively Deal" for this purpose means to deal in shares in a manner which involves frequent and regular trading activity.

Confirmation of Dealing that has Occurred

The company may require an employee to provide confirmation of dealing in company securities by an employee or his/her associate(s).

Notice of Change to Trading Period or Closed Trading Period

The Closed Trading Period may be extended or shortened or another Closed Trading Period may be introduced at any time by direction of the Board. Notice of such changes will be specified to employees by email and to directors by email and/or facsimile. Changes to the Closed Trading Period or Trading Period are effective immediately upon the giving of such notice. Where an employee does not have email access it is the manager's responsibility to inform the employee.

Director Requirement to Report to the market. Listing Rule 3.19A

In accordance with the Agreement between directors and the company, directors are required to provide details of all changes to their interest in company shares registered

in the name of the director or held on behalf of the director, directly or indirectly. The details must be provided as soon as reasonably possible after the date of the change and in any event no later than three business days after the change or another time frame which allows for compliance with the listing rule obligations.

Waiving Rules

If there are exceptional circumstances, the Chairman, or if absent, the Managing Director in their discretion may waive parts of the Dealing Rules, to allow for a director or employee to deal.

If there are exceptional circumstances, the Chairman, in consultation with the Managing Director and the Chairman of the Audit and Risk Committee, at their discretion, may waive parts of the Dealing Rules, to allow directors or employees to deal.

Exceptional circumstances may include the following:

- A representative in severe financial hardship where the representative has a pressing financial commitment which cannot be satisfied otherwise than by selling the relevant securities of the Company.
- A representative is the subject of a court order, or there are enforceable undertakings to transfer or sell the securities of the Company or there is some other overriding legal or regulatory requirement for them to do so.

The Board recognises that by nature of exceptional circumstances, it is envisaged that there may be other circumstances which have not been identified in this policy that may be deemed exceptional by the Board.

This discretion will be applied, taking into account the hardship of the employee or director and weighing this against any perceived detriment to the company's reputation.

Other trading that is specifically excluded from the operation of this trading policy includes the following:

- Transfers of securities of the Company already held, into or out of a superannuation fund or other saving scheme in which the representative is a beneficiary.
- An investment in, or trading in units of, a fund or other scheme (other than a scheme only investing in the securities of the Company) where the assets of the fund or other scheme are invested at the discretion of a third party.
- Where a representative is a trustee, trading in securities of the Company by that trust provided the representative is not a beneficiary of the trust and any decision to trade during a prohibited period is taken by other trustees or by the investment managers independently of the representative.
- Undertakings to accept, or the acceptance of a takeover offer;
- Trading under an offer or invitation made to all or most of the security holders, such as, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back, where the plan that determines the timing and structure of the offer has been approved by the board. This includes decisions relating to whether or not to take up the

entitlements and the sale of entitlements required to provide for the take up of the balance of entitlements under a renounceable pro rata issue.

- The exercise (but not the sale of securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a prohibited period and the representative could not reasonably have been expected to exercise it at a time when free to do so.

Employees who apply for a waiver under exceptional circumstances must obtain written or email consent from the Chairman or Managing Director prior to trading in the Company's securities.

Related Parties and Relevant Interests

The restrictions on dealings by a director or employee are equally applicable to any dealings:

- (a) by their spouses or de facto spouses;
- (b) by or on behalf of any dependant under 18 years of age; and
- (c) any other dealings in which, for the purposes of the Corporations Act, he or she is or is to be treated as "interested". For example, if a director or employee is a trustee of a trust and is also a beneficiary of the trust, the director or employee must not purchase company shares on behalf of the trust.

It is the duty of the director or employee to seek to avoid any such dealing at a time when he or she is himself or herself prohibited from dealing.

Employment and Monitoring of Compliance

To promote understanding of the insider trading prohibition, related Corporations Act provisions and company policy, a copy of this document will be distributed to all directors and employees (present and future) and will also be available on the company's intranet site. The induction procedures for new directors and employees must require that a copy of this document be provided to each new director or employee.

All existing and new directors and employees will be required effective from 31 December 2010 to provide a completed Form of Acknowledgment to Human Resources. All new directors will be required to provide this form to Company Secretariat.

Conclusion

Compliance with the rules set out in this document is mandatory and is a condition of your employment. Infringement of the insider trading provisions can attract a substantial monetary penalty, imprisonment or both in addition to loss of employment.

Any director or employee who does not comply with the Dealing Rules set out in this document will be considered to have engaged in serious misconduct which may result in the termination of their engagement by the company.

Ultimate discretion rests with the Chairman of the Board in respect of granting a waiver to the requirements of this Share Trading Policy to allow Representatives to trade in the shares of the Company, provided to do so would not be illegal.

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